## UNITED STATES DISTRICT COURT FOR THE DISTRICT OF RHODE ISLAND

STATE OF RHODE ISLAND, et al.,

Plaintiffs,

v.

C.A. No.:

DONALD J. TRUMP, et al.,

Defendants.

## **DECLARATION OF JAMES R. DEANE**

Pursuant to 28 U.S.C. § 1746, I, James R. Deane, hereby declare as follows:

- 1. I am a resident of the State of Hawai'i. I am over the age of 18 and have personal knowledge of all the facts stated herein, except to those matters stated upon information and belief; as to those matters, I believe them to be true. If called as a witness, I could and would testify competently to the matters set forth below.
- 2. I am currently employed by the University of Hawai'i System as Director of the Office of Innovation & Commercialization.
- 3. The University of Hawai'i (UH) is the public university system for the State of Hawai'i, comprised of 3 four-year educational campuses (UH at Mānoa, UH at Hilo, UH at West O'ahu) and 7 community colleges. UH is a comprehensive research university (with strengths in Engineering, Medicine and Agriculture) with the Carnegie "R1" "high research activity" designation.
- 4. As Director of the Office of Innovation & Commercialization, I am the principal investigator for the MBDA grant and I supervise the Director of the Hawai'i MBDA Business

Center. The Hawai'i MBDA Business Center has reported to my position since 2021 following a reorganization of its funding and administrative support.

- 5. In my experience, the UH Office of Innovation & Commercialization has a rare asset in the form of the Hawai'i MBDA Business Center, to amplify and increase the extent and value of its services supporting the local small business ecosystem. Over the last 22 years, I have worked for four other flagship state universities and none of them has had a similar MBDA business center to reinforce their economic development needs.
- 6. I submit this declaration in connection with Executive Order 14,238, "Continuing the Reduction of the Federal Bureaucracy," which directed seven federal agencies, including the Minority Business Development Agency (MBDA), to eliminate any non-statutory components and functions to the maximum extent consistent with applicable law, and to reduce the performance of any statutory functions and associate personnel to the minimum presence and function required by law.
- 7. The MBDA is the primary federal agency tasked to assist Minority Business Enterprises (MBEs) in overcoming the history of social and economic disadvantage that has limited their participation in America's economy.
- 8. Pursuant to an agreement with the MBDA, UH operates the MBDA Business Center Hawai'i to provide important and valuable services described in 9 below to companies in our state and region.
- 9. The services provided by MBDA Business Center Hawai'i include direct technical assistance to support economic and business development assistance to local businesses in securing commercial contracts for goods and services, as well as introductions and connections in support of obtaining commercial lending or financing.

- 10. In providing those services, MBDA Business Center Hawai'i is assisted by the MBDA's provision of data storage and CRM services via SalesForce and other information technology tools, as well as salaries and expenses to the business center staff which include the Director and two additional business development managers and administrative staff.
- 11. The MBDA's services outlined above are critical for the development of Minority Businesses Enterprises in Hawai'i because of the comparatively lower population and the significant geographic and economic isolation of the state compared to all other United States. While businesses in any one of the lower 48 states in the USA can draw on contracting services and expertise from other nearby states at low cost and travel time, Hawai'i does not have the same advantages given that it is far from California and New York state, but with literally no population centers in between. The Hawai'i MBDA Business Center provides expertise that is simply not available elsewhere in the state, including access to university resources, such as faculty and staff specializing in topics unique to Hawai'i and the Pacific region.
- 12. The MBDA also provides grants through pilot projects and programs such as Entrepreneurship Education for Formerly Incarcerated Persons and Enterprising Women of Color Business Centers.
- 13. In 2021, the University of Hawai'i received MB21OBD8050204 in the amount of \$2,050,000 to provide technical assistance and business development services to business enterprises in Hawai'i.
- 14. The University of Hawai'i's budget for this year has relied on this funding, and we made plans and allocated funding, and offset other funding for programs supporting Hawai'i business enterprises and entrepreneurs based on the anticipated receipt of the promised funding.

- 15. The Hawai'i MBDA Business Center plans to continue its operations through the end of the current contract, and will be re-applying for continuing support under MBDA funding in the future.
- 16. Any pause in funding would delay completion of client projects, resulting in clients losing access to capital and contracting opportunities, prevent new clients from accessing these services and resources, and may lead to loss of jobs. Delay would also eliminate our ability to fill key staff positions currently open, and would therefore terminate the ability to restore vital business activity by the Hawai'i MBDA Business Center.
- 17. The uncertainty of funding will significantly affect the volume of services being provided. Without confidence in being paid or reimbursed, the MBDA Business Center Hawai'i cannot responsibly start new client projects with the possibility that the project will not be completed. In addition, plans for an annual contracting workshop will be stopped. Additionally, any pause in funding would cause the Hawai'i MBDA Business Center to default on its contract with the Hawai'i YWCA for the provision of critical business services to the YWCA who in turn serves other small Hawai'i businesses.
- 18. For over a decade, the Hawai'i MBDA Business Center has been one of the top-performing MBDA business centers nationwide, with the best-in-class metrics for contracts secured and client financing obtained. Loss of the MBDA funding would eliminate this high-achieving office and result in a significant loss of commercial contracts and financing to Hawai'i businesses.
- 19. In the next fiscal year, we are scheduled to receive disbursements/reimbursements of \$410,000 under our current awards.

- 20. The Hawai'i MBDA Business Center is supposed to have access to a SalesForce CRM platform for essential data reporting. Such access has been blocked and unavailable for the current calendar year, which has prevented us from completing critical reporting efforts of its metrics.
- 21. The Hawai'i MBDA Business Center is a critical local service that supports Hawaiian businesses which are important to the state's economy and tax base. The Hawai'i MBDA Business Center is also an employer of UH students, which offers them rare learning experiences and trains them for important roles in the state economy.
- 22. If the MBDA ceased to function in a meaningful way, small businesses in the state will be significantly harmed and may cease their activity and close.

I declare under penalty of perjury under the laws of the United States that, to the best of my knowledge, the foregoing is true and correct. Executed on March 25<sup>th</sup> 2025, at Honolulu, Hawai'i.

JAMES R. DEANE